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The Imperial Life Assurance Company of Canada

Annual Report for the year 1975



Green Marsh, the painting reproduced on the front cover, is by Paul Fournier and is in Imperial Life's collection of contemporary Canadian art. Mr. Fournier was born in Simcoe, Ontario, and studied at McMaster University. His work is also represented in the collections of the National Gallery of Canada, the Art Gallery of Hamilton, the University of Toronto and the Art Gallery of Windsor.



# The Imperial Life Assurance Company of Canada



## ANNUAL REPORT OF THE DIRECTORS

Your Directors have pleasure in submitting their Report for the year ended December 31, 1975.

### New Business

The volume of new life insurance and annuity business in 1975 amounted to \$944,234,000 which includes a new record of \$675,873,000 on individual lives and \$268,361,000 from group life insurance and annuities. New business on individual lives (including health insurance) produced yearly premiums of \$13,402,000 and single premiums of \$6,239,000. New group insurance produced premiums of \$5,561,000.

### Business in Force

The year ended with \$5,557,828,000 of life insurance in force, including \$2,183,294,000 of group life insurance and annuities. Health insurance contracts in force at the end of the year had yearly premiums of \$15,324,000.

### Income

Premium income amounted to \$110,106,000 and net interest, dividends and rents to \$41,066,000 after deduction of all investment expenses.

### Benefit Payments

Payments to policyholders and beneficiaries during 1975 aggregated \$68,863,000, including death claims amounting to \$16,836,000 and \$10,061,000 in dividends to holders of participating policies. The scales of policyholders' dividends in effect December 31, 1975 have been authorized for continuance until June 30, 1976.

### Assets

The book value of the assets of the Company and its subsidiary companies amounted to \$713,595,000. The net rate of interest earned in 1975 was 7.34% before taxes on Canadian investment income (1974—7.16%).

### Insurance and Annuity Liabilities

The total of the reserves for insurance and annuity liabilities, including reserves for segregated investment funds

is \$546,113,000, which is greater than governmental requirements.

### Medical Inns of Canada Limited

In the Consolidated Financial Statements for the year 1974 provision was made for the estimated decline in value of the Company's investment in Medical Inns of Canada Limited which had been placed in bankruptcy. The assets of the bankrupt estate have not yet been disposed of by the trustee and no distribution has yet been made. Negotiations are under way for the disposal of the assets. If the transactions are completed on the terms presently proposed, the 1974 provision for loss would prove adequate.

### Retained Earnings

The ratio of capital and retained earnings to total liabilities at December 31, 1975 was 8.0% (1974—9.1%).

### Earnings Per Share

Consolidated earnings per share are based on the net income (including net realized capital gains) of the shareholders' account, of the non-participating life insurance business, of the health insurance business and the appropriate portion of the net income of subsidiary companies. These earnings may fluctuate widely as they are greatly influenced by the rates of mortality and morbidity and by the level of net realized capital gains. The consolidated earnings per share amounted to \$7.34 compared to \$4.47 in 1974.

The Directors acknowledge with appreciation and thanks the diligence with which members of the Company have performed their duties in the past year.

On behalf of the Board,  
A. ROSS POYNTZ  
Chairman of the Board

Toronto, Canada  
February 18, 1976

## Board of Directors

A. ROSS POYNTZ, F.C.I.A.  
*Chairman of the Board*

G. KINGSLEY FOX, F.C.I.A.  
*President*

PAUL DESMARAIS  
*Vice-President and Chairman of the  
Executive Committee of the Board*

JOHN B. W. CARMICHAEL  
*Toronto*

FRANK E. CASE  
*Brockville, Ontario*

MAURICE GERMAIN  
*Montreal*

J. DOUGLAS GIBSON, O.B.E.  
*Toronto*

LAWRENCE G. GREENWOOD  
*Montreal*

SIR HENRY JOHNSON, K.B.E.  
*London, England*

THE HON. WALTER S. OWEN, Q.C.  
*Victoria*

JEAN PARISIEN, C.A.\*  
*Montreal*

JOHN G. PORTEOUS, Q.C.  
*Montreal*

RENAULT ST-LAURENT, Q.C.  
*Quebec*

KENNETH R. THOMSON  
*London, England*

DONALD J. WILKINS  
*Toronto*

(\*died February 20, 1976)

## Imperial Life Comparative Figures

	1975	1974
New individual insurance sold - - - - -	\$ 675,873,000	\$ 636,651,000
New group life and annuities - - - - -	268,361,000	325,484,000
Total new insurance sold - - - - -	944,234,000	962,135,000
Annual premiums from new sales of individual life and health - - - - -	13,402,000	11,332,000
New single premiums - - - - -	6,239,000	7,978,000
New group insurance premiums - - - - -	5,561,000	4,878,000
Total new premiums - - - - -	25,202,000	24,188,000
Total insurance in force at year-end - - - -	5,557,828,000	4,963,307,000
Death claim payments - - - - -	16,836,000	15,571,000
Dividends to policyholders - - - - -	10,061,000	9,556,000
Total payments to policyholders and beneficiaries - - - - -	68,863,000	63,000,000
Total premium income - - - - -	110,106,000	98,389,000
Income from net interest, dividends and rent after investment expenses - - -	41,066,000	38,763,000
Total assets including subsidiary companies - - - - -	713,595,000	654,244,000
Earnings per share - - - - -	7.34	4.47
Net interest rate earned - - - - -	7.34%	7.16%



## A Review of 1975

### Our 78th Year

#### New Business

The volume of new life insurance and annuity business written in 1975 amounted to \$944,234,000. Included in this amount was \$675,873,000 on individual lives, \$268,361,000 of group life insurance and annuities.

New business on individual lives produced yearly premiums of \$13,402,000, an increase of 18% over 1974, and single premiums of \$6,239,000. Group insurance sales were 14% higher than in 1974 and accounted for \$5,561,000 of new premiums.

Total life insurance in force at year-end was \$5,557,828,000, a gain of \$594,520,000 for the year. Group insurance in force at year-end also passed the \$2 billion mark. The amount of group protection provided by the Company has doubled in less than four years. Health insurance contracts in force at the end of the year had yearly premiums of \$15,324,000, a gain of 21% in the year.

During 1974, life insurance purchasers showed a growing preference for the traditional types of policies with guaranteed values, in comparison to equity-linked plans. This trend continued in an even more marked degree in 1975 in all areas of operation.

New premiums from sales of employee benefit plans showed a 14% increase, with substantial gains being registered particularly in the U.S.A. market and in Great Britain. In Canada, new group health insurance premiums were 25% higher than in the preceding year.

The strength and quality of our sales organization showed further improvement in 1975. Gains in the number of sales personnel, a key factor for continuing growth, were achieved in Canada, U.S.A. and the Southern areas of operation and the proportion of representatives holding senior professional qualifications reached a new high point.

The level of sales of the Flexible Premium Retirement Annuity, a new plan introduced in Canada and the U.S.A.,

was very satisfactory. This contract is designed primarily to provide income at retirement but also may be qualified to provide deferment of income tax during the accumulation period.

#### Income and Benefits

In 1975, the total revenue in the life and health accounts, excluding segregated investment funds, was \$136,434,000—an increase of 10% over 1974. The net increase in value of the Company's segregated investment funds was \$30,877,000 as a result of substantial improvement in market values, coupled with a 12% increase in amounts received from policyholders.

Benefit payments during 1975 aggregated \$68,863,000. Mortality experience was favourable and death claim payments at \$14,896,000, were only slightly higher than in 1974. The substantial increase in the amount of health insurance business in force, plus a moderate rise in claim rates, resulted in an increase of 11% to \$11,037,000, in the level of health claim payments. Surrender value payments, at \$21,047,000, were only marginally higher than in 1974.

The amount allocated to policyholders' dividends in 1975 was \$10,061,000, an increase of 5% over the previous year.

#### Investments

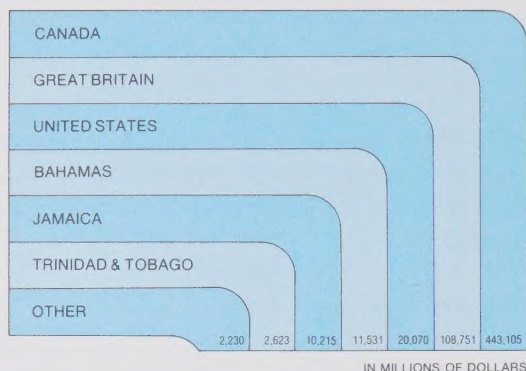
As 1975 progressed, most of the world's economies began to show signs of recovery from what, in many cases, had been a deep recession. Rates of inflation eased in most countries, but the stimulative monetary and fiscal policies used to encourage recovery gave rise to concern that inflationary forces could flare up early in the recovery phase, before productive capacity could match potential demand.

Investment markets generally responded positively to improved business prospects and more determined action by governments to restrain inflationary pressures. Uncertainty and nervousness over the success of this transition

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### Distribution of Assets by Geographic Area (General Funds)



from "recession with inflation" to "recovery with stability" brought considerable volatility to markets throughout the year and overall results varied considerably, with price rises tending to be greatest in those markets that had suffered the steepest declines.

There was a marked improvement in the Company's investment flows as the level of demand for cash surrenders and policy loans moderated considerably. New loans to policyholders in 1975 amounted to \$10,968,000, with the net increase in loan balances after repayments being only \$1,741,000.

Funds available in the year for new investments totalled \$72,300,000. Of this amount \$53,700,000 related to the general funds of the Company and \$18,600,000 to the segregated funds.

Mortgages continued to be the largest avenue of investment for the Company's funds, with more than \$28,000,000 disbursed in new loans. In recognition of the growing need for support in the residential housing field in many areas, the Company substantially increased its lending activity in the housing sector, and more than 67% of the mortgage commitments in 1975 were made for this purpose. During 1975, mortgages held in general funds increased by \$9,751,000, while mortgages in segregated funds increased by \$2,129,000.

The improved outlook for stock markets in the year was reflected in additions of \$5,186,000 to the Company's stock investments. At the same time, the high cash

reserves in the various segregated equity funds were reduced and more than \$18,700,000 of net stock purchases were made by these funds.

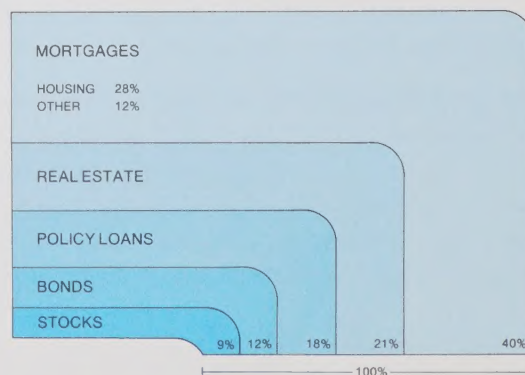
Bond investments increased by only \$1,741,000 in general funds, although trading activity within the bond portfolios totalled more than \$75,000,000.

The Company's net direct investment in real estate during 1975 was \$11,300,000. The bulk of this resulted from the restructuring of the Company's property activities in Great Britain. The Company disposed of its investment in Morgan Grampian Securities Limited, a real estate company in Great Britain in which it held a 24% interest, and, in a series of related transactions, the Company acquired direct ownership of two office sites under development on Essex Street in London, and also, through a new wholly-owned subsidiary of Imperial Life (Impco Properties G.B. Limited), acquired three development sites and a 100% interest in a property investment company, The Invicta Investment Company Limited.

The value at the year-end of the properties involved in these transactions was in excess of their cost to the Company. A program of profitable disposal has been initiated with respect to certain of the Invicta properties which the Company does not wish to retain for development.

The excellent results achieved in past years by the Company's other joint property development company in Great Britain, Castlemere Properties, were well maintained in 1975.

### Distribution of New Investments—1975 (General Funds)





Substantial funds were immobilized during the year in Medical Inns of Canada Limited, which was placed in bankruptcy on January 31, 1975. The principal asset of the bankrupt estate is currently under an offer to purchase. It is expected that this situation will soon be resolved with a resultant significant increase in investment income for the Company in 1976.

The Imperial Life's consolidated assets increased in 1975 by \$59,351,000, or 9.1%, to a total of \$713,595,000. This figure includes an amount of \$94,778,000 representing the value of the segregated funds managed by the Company. The increase in these funds in the year was 35.8%.

The Company's net investment income in its general funds, despite substantial property investments producing no current return, increased substantially in the year. This resulted in a net investment yield, after expenses, of 7.34%, an increase of .18% over 1974.

### **Net Income**

The income for the year, after taxes, was \$59,000. After the deduction of \$392,000 arising from the acquisition of the Great Britain property investments, there was a loss for the year of \$333,000.

### **Earnings per Share**

The net income in the non-participating account and in the Shareholders' Account amounted to \$1,469,000 or \$7.34 per share. Earnings per share in 1974 were \$4.47.

### **Administration**

During 1975, considerable progress was made in the development of improvements in the Company's facilities for measuring performance and profitability of operations. The refinement effected will enable the Company to deal

more effectively with the more rapid and extensive changes in operating conditions and product requirements that are occurring in the various geographic areas in which it is doing business.

A program undertaken two years ago to computerize much of the administration and accounting systems for group insurance policies is nearing completion. A number of group life and health policies were moved into the new system during the year and it is anticipated that the conversion of all such policies will be completed early in 1976. This will enable the Company to provide improved service for clients with employee benefit plans on a more efficient and economical basis.

The Company has initiated a trans-Atlantic computer link service with its Chief Office in Great Britain. This service provides substantial improvements in the transmission of information. It will add significantly to the efficiency of operations and will give added scope for further enhancement of our products and services in Great Britain.

Increasing emphasis is being given to human resource planning and development in the Company, both with respect to salaried staff and in the Company's marketing organization. These programs are directed towards meeting the future needs of the Company for skilled technical and management personnel and to improving the professional competence of the Company's sales personnel and the quality of assistance and of service provided by our marketing organization.

The various administrative developments that are in effect in the Company at the present time are being implemented in support of a comprehensive program of plans and objectives established by the Company with respect to the operating goals for the next five years.

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
(Incorporated under the laws of Canada)  
and subsidiary companies

**Consolidated Balance Sheet** as at December 31, 1975  
(with comparative figures at December 31, 1974)

ASSETS

	1975	1974
	(thousands of dollars)	
Bonds and debentures—at amortized cost (Note 2(ii)):		
Government- - - - -	\$68,522	\$66,690
Municipal - - - - -	8,050	9,256
Corporate - - - - -	85,948	84,833
	\$162,520	\$160,779
Preferred and common stocks— at cost (Note 2(ii)) - - - - -	79,223	74,037
Mortgages on real estate—at amortized cost - - - - -	240,698	230,943
Loans to policyholders, fully secured by the cash value of policies of this Company - - -	44,112	42,371
Real Estate (Note 3):		
Properties under develop- ment—at cost - - - - -	834	784
Properties held for investment - - - - -	52,874	44,035
Home Office and branch office premises—at cost - -	16,599	15,525
	70,307	60,344
Less accumulated depreciation - - - - -	8,721	10,283
	61,586	50,061
Segregated investment funds' assets—at market value (Note 4) - - - - -	94,778	69,783
Cash and certificates of deposit - -	12,871	10,006
Premiums in course of collection - -	6,739	4,368
Accrued investment income - - -	6,304	6,002
Other assets - - - - -	4,764	5,894
	<u>\$713,595</u>	<u>\$654,244</u>

On behalf of the Board

A. ROSS POYNTZ, *Chairman of the Board*

G. KINGSLEY FOX, *President*





## LIABILITIES

	1975	1974
	(thousands of dollars)	
Present value of liabilities under assurance and annuity contracts (Note 5) - - - - -	\$451,335	\$423,159
Policy proceeds, dividends and other amounts on deposit - - - - -	37,804	36,300
Present value of liabilities under Company retirement funds (Note 6) - - - - -	23,944	23,586
Segregated investment funds' liabilities to policyholders - -	94,778	69,783
Provision for dividends to policyholders - - - - -	10,084	9,627
Policy claims in course of settlement and provision for unreported claims - - - - -	15,830	11,953
Bank loans and notes payable on real estate investments - -	9,441	10,366
Mortgages on real estate investments - - - - -	2,442	3,138
Income and premium taxes - - - - -	1,104	786
Other liabilities and provisions - - - - -	13,735	10,922
	<u>660,497</u>	<u>599,620</u>

## CAPITAL STOCK AND RETAINED EARNINGS

### Capital Stock

Authorized—200,000 shares of \$5 par value		
Issued—200,000 shares - - - - -	1,000	1,000
Shareholders' retained earnings - - - - -	2,754	2,454
Asset valuation reserve (Note 2 (ii) and (iv) ) - - - - -	14,125	12,327
Retained earnings primarily for the protection of policyholders - - - - -	35,219	38,843
	<u>53,098</u>	<u>54,624</u>
	<u>\$713,595</u>	<u>\$654,244</u>

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
and subsidiary companies

**Consolidated Statement of Income** for the year ended December 31, 1975  
(with comparative figures for 1974)

	1975	1974
	(thousands of dollars)	
INCOME		
Premiums (Note 7) - - - - -	\$110,106	\$ 98,389
Interest, dividends and rents after deduction of investment expenses (Note 8) - - - - -	41,066	38,763
Net realized capital gains - - - - -	618	1,014
Interest and dividends from segregated investment funds - - - - -	6,720	4,984
Net realized and unrealized capital gains (capital losses) on assets of segregated investment funds - - - - -	7,411	(12,497)
	<u>165,921</u>	<u>130,653</u>
THIS INCOME WAS USED FOR		
Death claims - - - - -	16,836	15,571
Disability and health insurance claims - - - - -	11,037	8,429
Matured endowments - - - - -	5,625	5,255
Annuity benefits - - - - -	4,257	3,844
Surrender value benefits - - - - -	21,047	20,345
Additions to funds held for future payments to policyholders - - - - -	27,479	23,403
Additions to segregated investment funds - - - - -	24,995	4,303
Amounts credited to funds on deposit and Company retirement funds - - - - -	4,052	4,280
Commissions, branch office, agency and operating expenses - - - - -	38,973	33,632
	<u>154,301</u>	<u>119,062</u>
OPERATING INCOME - - - - -	11,620	11,591
Dividends to policyholders - - - - -	10,061	9,556
INCOME BEFORE TAXES - - - - -	1,559	2,035
Income and premium taxes - - - - -	1,500	1,597
INCOME AFTER TAXES - - - - -	59	438
Less:		
Estimated decline in value of subsidiary company investment - - - - -	\$ —	\$6,100
Recovery of prior years' taxes - - - - -	—	(1,925)
Goodwill on acquisition of Great Britain property investment companies - - - - -	392	—
	<u>392</u>	<u>4,175</u>
NET INCOME (LOSS)		
Non-participating account - - - - -	449	(55)
Shareholders' account - - - - -	1,020	950
*Non-participating and shareholders' account - - - - -	1,469	895
Participating life account - - - - -	(1,802)	(4,632)
	<u>\$ (333)</u>	<u>\$ (3,737)</u>
*Consolidated earnings per share (basis 200,000 shares) - - - - -	<u>\$ 7.34</u>	<u>\$ 4.47</u>



THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
and subsidiary companies

**Consolidated Statement of Retained Earnings** for the year ended December 31, 1975  
(thousands of dollars)

	Appropriated	Unappropriated			Share- holders
	Asset Valuation Reserve	Partici- pating	Non-Parti- cipating	Total	
Retained earnings, beginning of year - - -	\$12,327	\$30,528	\$8,315	\$38,843	\$2,454
Provision for income taxes arising on change of control of Great Britain property investment companies - - - -		(348)	(125)	(473)	
Net income (loss) for the year - - - - -		(1,802)	449	(1,353)	1,020
Dividends to shareholders - - - - -					(720)
Strengthening of asset valuation reserve - -	1,798	(1,468)	(330)	(1,798)	
Retained earnings, end of year - - - - -	<u>\$14,125</u>	<u>\$26,910</u>	<u>\$8,309</u>	<u>\$35,219</u>	<u>\$2,754</u>

## Auditors' Report

To the Policyholders and Shareholders of  
The Imperial Life Assurance Company of Canada

We have examined the consolidated balance sheet of The Imperial Life Assurance Company of Canada and subsidiary companies as at December 31, 1975 and the consolidated statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; the liabilities under assurance, annuity and company retirement fund contracts were determined and certified by the company's Actuary.

In our opinion, based on our examination and the certificate of the Actuary, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations for the year then ended in accordance with accounting principles prescribed or accepted by the Department of Insurance of Canada applied on a basis consistent with that of the preceding year.

Toronto, Canada  
February 6, 1976

THORNE RIDDELL & CO.  
Chartered Accountants

## Notes to Consolidated Financial Statements December 31, 1975

### 1. PRINCIPLES OF CONSOLIDATION

The Company follows the policy of consolidating the accounts of its subsidiary companies in the financial statements. It holds 100% voting equity in all consolidated subsidiaries.

<u>name of subsidiary</u>	<u>location</u>	<u>nature of business</u>
Impco Health Screening Limited	Canada	medical examination service and physical fitness centre
Impco Properties Limited	Canada	property investments
Impco Properties G.B. Limited	Great Britain	property investments
The Invicta Investment Company Limited	Great Britain	property investments

### 2. ACCOUNTING POLICIES

- (i) The accompanying financial statements have been prepared in accordance with the requirements of the Department of Insurance of Canada, which basis is used for reporting in annual statements filed with the Department. The Department's requirements emphasize liquidity and solvency, and accordingly provide that:
- (a) certain assets, such as office furniture and other non-admitted assets, are expensed in the year acquired;
  - (b) the costs of acquiring new business are expensed in the year incurred;
  - (c) the income tax charge against operations and the related liability are determined using the "taxes payable" method.
- (ii) The bonds and stocks are recorded on the books of the Company at amortized cost and cost. The Canadian and British Insurance Companies Act permits an adjusted provision under section 71(4) (b) (ii) in a year in which market values are depressed. The adjustment effectively requires that a provision of one-third of the spread between book values and authorized values be provided by earmarking of retained earnings. The asset valuation reserve of \$14,125,000 is sufficient to meet this requirement.

1975			1974		
	<u>amortized cost/ cost values</u>	<u>authorized values</u>	<u>amortized cost/ cost values</u>	<u>authorized values</u>	
bonds - - - - -	\$162,520,000	\$134,696,000	\$160,779,000	\$134,241,000	
stocks - - - - -	79,223,000	81,135,000	74,037,000	67,625,000	
	<u>\$241,743,000</u>	<u>\$215,831,000</u>	<u>\$234,816,000</u>	<u>\$201,866,000</u>	

- (iii) The following book rates were utilized for the translation of foreign currency amounts to Canadian dollars:

Great Britain pound - - - - -	\$2.34	Bermudian dollar - - - - -	\$1.00
Jamaican dollar - - - - -	\$1.10	Cuban peso - - - - -	\$1.00
United States dollar - - - - -	\$1.00	British Honduras dollar - - - - -	\$ .50
Bahamian dollar - - - - -	\$1.00	Trinidad and Tobago dollar - - - - -	\$ .50

The Great Britain pound book translation rate has been changed to \$2.00 effective with 1976 accounting, resulting in a net gain of \$91,000.

- (iv) The asset valuation reserve is maintained to cover both fluctuations in currency translation rates and the excess of book values of bonds and stocks over authorized values.

### 3. REAL ESTATE

- (i) Depreciation

Properties held for investment and home and branch office premises are depreciated on a straight-line basis ranging from 1½% to 2½% per annum. Depreciation is not recorded on properties under development or in the British property investment companies.

- (ii) Valuation Basis

Real estate is valued on a cost basis with the exception of the British subsidiaries, where it is valued on an appraisal basis.

### 4. SEGREGATED FUNDS

The liability to policyholders equals the net assets in each fund. The Consolidated Statement of Income includes all operating transactions of the segregated funds. The net assets of each fund amount to:

	1975	1974
group contract funds		
Bond - - - - -	\$ 3,413,000	\$ 2,360,000
Equity - - - - -	10,369,000	7,916,000
Mortgage - - - - -	23,003,000	20,765,000
Diversified - - - - -	15,608,000	11,071,000
Segregated employer funds - - - - -	19,656,000	13,952,000



	1975	1974
individual contract funds		
Great Britain Growth - - - - -	13,861,000	8,916,000
Great Britain Pension Growth - - - - -	4,037,000	1,581,000
Impco Growth - - - - -	1,240,000	1,059,000
Impco Retirement Growth - - - - -	3,591,000	3,063,000
	<u>\$ 94,778,000</u>	<u>\$ 69,783,000</u>

#### 5. ACTUARIAL LIABILITIES

Liabilities for life insurance policies for financial reporting purposes are generally established and maintained on either the net level premium basis or the Canadian modified basis. Liabilities for individual health insurance are determined on a two-year preliminary term basis and for group health insurance on the basis of unearned premiums plus an additional reserve.

The actuarial liabilities by life and health amount to:

	1975	1974
life		
participating - - - - -	\$317,562,000	\$301,000,000
non-participating - - - - -	132,314,000	120,943,000
health		
individual - - - - -	1,104,000	875,000
group - - - - -	355,000	333,000
	<u>\$451,335,000</u>	<u>\$423,159,000</u>

#### 6. PENSION PLAN

The Company has contributory pension plans covering substantially all of its employees and branch managers and retirement benefit arrangements for its full-time agents. The total liability in all funds is made up as follows:

	1975	1974
general funds		
active employees - - - - -	\$ 13,251,000	\$ 13,034,000
retired employees - - - - -	10,693,000	10,552,000
	23,944,000	23,586,000
segregated funds		
active employees - - - - -	8,978,000	6,420,000
	<u>\$ 32,922,000</u>	<u>\$ 30,006,000</u>

During 1974 the basis of The Imperial Life Staff Pension Fund was changed from a money purchase to a defined benefit basis, resulting in an unfunded pension liability which, based on an actuarial valuation as at January 1, 1975, amounted to \$2,201,000. This amount, together with interest at 7%, will be funded over 14 years. During the year past service pension costs, including interest, of \$244,000 have been charged to operations.

#### 7. PREMIUM INCOME

Premium income was derived from the following lines of business:

	1975	1974
participating individual life - - - - -	\$ 40,552,000	\$ 36,463,000
participating individual annuity - - - - -	8,274,000	11,454,000
non-participating individual life - - - - -	12,094,000	11,613,000
non-participating individual annuity - - - - -	5,289,000	2,087,000
group life - - - - -	11,954,000	9,317,000
group annuity - - - - -	2,055,000	2,474,000
personal health - - - - -	1,639,000	1,323,000
group health - - - - -	12,883,000	9,987,000
segregated funds - - - - -	15,366,000	13,678,000
	<u>\$110,106,000</u>	<u>\$ 98,389,000</u>

#### 8. INTEREST, DIVIDENDS AND RENTS

The investment expenses deducted from investment income are:

	1975	1974
general investment expenses - - - - -	\$ 3,223,000	\$ 2,762,000
real estate taxes - - - - -	958,000	852,000
depreciation - - - - -	1,003,000	1,055,000
	<u>\$ 5,184,000</u>	<u>\$ 4,669,000</u>

#### 9. SHAREHOLDERS' ACCOUNT

The transfer from the participating life account to shareholders' account is \$787,000 (1974—\$749,000) or 7½% of the distributions from the participating account as limited by section 84 of the Canadian and British Insurance Companies Act.

#### 10. ANTI-INFLATION LEGISLATION

Effective October 14, 1975 the federal government passed the Anti-Inflation Act and subsequently issued Regulations which are presently scheduled to be in force until December 31, 1978. Under this legislation the Company is subject to mandatory compliance with controls on revenues, profits, employee compensation and shareholder dividends.

**Seven-Year Review** (dollar amounts in thousands)

	1975	1974	1973	1972	1971	1970	1969
Revenue							
Premiums - - - -	\$ 110,106	\$ 98,389	\$ 91,550	\$ 81,131	\$ 76,277	\$ 62,767	\$ 59,147
Interest, dividends and rents - - - -	47,786	43,747	38,901	34,508	32,404	30,260	28,290
Total paid or credited to policyholders and beneficiaries excluding dividends - - - -	115,328	85,430	83,797	85,455	77,249	59,569	55,707
Dividends to policyholders - - -	10,061	9,556	8,990	8,813	8,414	7,539	7,285
Commissions, branch office, agency and operating expenses -	38,973	33,632	29,767	24,357	22,929	20,656	19,937
Dividends to shareholders - - -	720	700	640	560	510	480	480
Total assets - - - -	713,595	654,244	621,051	574,184	537,470	501,732	482,820
Life Insurance in force -	5,557,828	4,963,307	4,286,669	3,770,815	3,306,376	3,107,109	2,757,791
New rate of interest earned - - - -	7.34%	7.16%	6.93%	6.66%	6.54%	6.38%	6.22%
Earnings per share - -	\$7.34	\$4.47	\$6.01	\$5.44	\$11.43	\$2.20	\$7.49
Number of agents - -	723	702	702	633	626	656	644
Number of employees -	1,253	1,203	1,155	1,096	1,116	1,142	1,163

**Summary of Capital and Retained Earnings** at December 31 (thousands of dollars)

	1975	1974	1973	1972	1971	1970	1969
Appropriated							
Participating Account							
Asset Valuation Reserve - -	\$10,525	\$ 9,057	\$12,057	\$12,067	\$12,722	\$12,372	\$ 8,285
Non-Participating Account							
Asset Valuation Reserve - -	3,600	3,270	3,269	3,525	3,604	3,477	2,509
Shareholders							
Capital Stock - - - - -	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained Earnings - - - -	2,754	2,454	2,204	1,951	1,635	1,342	1,109
Unappropriated							
Participating Account							
Life Retained Earnings - - -	26,910	30,528	32,160	32,983	33,517	33,339	32,770
Non-Participating Account							
Life Retained Earnings - - -	7,046	7,381	7,379	6,533	6,344	5,244	5,299
Health Retained Earnings - -	1,263	934	992	1,273	1,254	998	748



## Executive Officers

A. ROSS POYNTZ, F.C.I.A. <i>Chairman of the Board</i>		
G. KINGSLEY FOX, F.C.I.A. <i>President</i>		
PAUL DESMARAIS <i>Vice-President and Chairman of the Executive Committee of the Board</i>		
WILLIAM G. MUNRO, F.L.M.I. <i>Executive Vice-President</i>	A. ROSS MacDONALD, F.C.I.A. <i>Actuarial Vice-President</i>	DAVID M. MILLYARD, F.C.I.A. <i>Administrative Vice-President</i>
JOHN B. PURDY, C.F.A., F.L.M.I. <i>Financial Vice-President</i>	GRANT D. SYLVESTER, C.L.U. <i>Agency Vice-President</i>	
CHESTER D. BEATTY, F.C.I.A. <i>Executive Office—Research</i>	JOHN J. BREITHAUP <i>Executive Office—Personnel</i>	JAMES C. EMMETT, M.D. <i>Medical Director</i>
HUGH C. FARDY, C.L.U. <i>Director of Canadian Agency Operations</i>	G. JAMES HUNTER, C.L.U. <i>Director of Group Sales</i>	GORDON H. JOHNSON, F.C.A., F.L.M.I. <i>Comptroller</i>
WALLACE R. JOYCE, F.C.I.A. <i>Executive Officer—Research</i>	ANDREW S. LeMESURIER <i>General Counsel</i>	JOHN H. McMEEKIN, C.F.A., F.L.M.I. <i>Treasurer</i>
THOMAS A. MILBURN, F.C.I.A. <i>Executive Officer—Administration</i>	WILLIAM L. STANLEY, F.L.M.I. <i>Director of Marketing Services</i>	E. HAROLD WYKES <i>Secretary and Counsel</i>

## In Great Britain

CLIFFORD T. HACKETT <i>Vice-president and General Manager for Great Britain</i>	
JOHN A. KEMPTON <i>Assistant General Manager for Great Britain</i>	ERICA A. PERCIVAL <i>Resident Secretary</i>

## Other Officers

DONALD C. F. AKEHURST <i>Agency Administrative Officer</i>	RONALD V. BALL, F.L.M.I. <i>Assistant Agency Administrative Officer</i>	WALTER C. BARCLAY, C.L.U. <i>Assistant Advanced Marketing Officer</i>
DOUGLAS R. BELL, F.L.M.I. <i>Assistant General Counsel</i>	D. LORNE BLEECKER, F.C.I.A. <i>Associate Actuary</i>	ALAN R. BRERETON, F.C.I.A. <i>Associate Actuary</i>
WILLIAM R. BROWN, F.L.M.I. <i>Group Administrative Officer</i>	A. BRUCE BROWNE, F.L.M.I. <i>Special Services Officer</i>	J. PAUL CAIRNS, C.L.U. <i>Assistant Superintendent of Agency Operations</i>
MISS AUDREY L. CANN <i>Coordinating Officer—(U.S.)</i>	DOUGLAS C. COOKE, C.A., F.L.M.I. <i>Assistant Comptroller</i>	WILLIAM A. COPELAND <i>Property Management Officer</i>
W. DALE COSBURN, F.C.I.A. <i>Group Actuary</i>	L. KEITH DEEPROSE, F.L.M.I. <i>Data Processing Officer</i>	W. D'ARCY DOLAN <i>Public Relations Officer</i>
R. LEWIS DUNN, F.C.I.A. <i>Group Development Officer</i>	DANIEL M. FLEMING, M.D., D.P.H. <i>Associate Medical Director</i>	NORMAN A. FORAN <i>Associate Director, U.S. Agencies</i>
ROBERT W. HAIG <i>Assistant General Counsel</i>	MICHAEL A. HALE, F.C.I.A. <i>Associate Actuary</i>	F. MURRAY HALL, M.D., F.R.C.P. (C) <i>Associate Medical Director</i>
WILLIAM J. HILL, F.L.M.I. <i>Administrative Systems Officer</i>	R. GARTH HUTCHINSON, F.C.I.A. <i>Systems Programming Officer</i>	HARRY K. KAY, C.L.U. <i>Superintendent of Agency Operations</i>
RANDAL W. N. KENNY, C.A., F.L.M.I. <i>Associate Comptroller</i>	WAYNE R. MAXWELL, F.L.M.I. <i>Assistant Agency Administrative Officer</i>	BRYCE K. McBAIN, F.L.M.I. <i>Field Office Administrative Officer</i>
ALAN D. McCONNELL <i>Assistant Administrative Officer</i>	MISS MARY T. MEGAFFIN <i>Personnel Officer</i>	JEAN-LOUIS MELANSON, C.F.A. <i>Assistant Investment Officer</i>
JOHN E. MORRISON, F.L.M.I. <i>Data Systems Officer</i>	PETER MUNK, F.C.I.A. <i>Assistant Actuary</i>	JOHN D. OGDEN, C.L.U. <i>Advanced Marketing Officer</i>
JOSEPH J. PIETROSKI <i>Group Operations Officer</i>	KENNETH C. RIVERS, A.C.I.S. <i>Investment Administrative Officer</i>	DONALD R. ROBERTS, F.L.M.I. <i>Data Systems Officer</i>
BRUCE G. SAUNDERS, S.R.E.A. <i>Mortgage Underwriting Officer</i>	WAYNE E. SINCLAIR, F.L.M.I. <i>Group Underwriting Officer</i>	KLAUS M. SOPORA, C.L.U., F.L.M.I. <i>Field Training Officer</i>
GLENN R. SWANICK, F.C.I.A. <i>Associate Actuary</i>	W. ALAN TEETER, C.L.U. <i>Superintendent of Agency Operations</i>	PETER M. WALTER, C.F.A., F.L.M.I. <i>Associate Treasurer</i>
JON T. WILKINS, C.L.U. <i>Superintendent of Group Sales</i>	MISS MARION E. WILLIAMS, F.L.M.I. <i>Underwriting Officer</i>	A. MARTIN N. WILSON, C.A. <i>Associate Comptroller</i>
	GEORGE C. WILSON, C.A., F.L.M.I. <i>Assistant Comptroller</i>	

## In Great Britain

W. NICHOLAS ANDERTON, F.I.A. <i>Resident Actuary</i>	ANTHONY F. HOPPER <i>Special Projects Officer</i>	GEORGE LAWTON <i>Superintendent of Field Training</i>
GEORGE K. C. RETTIE, M.D. <i>Medical Officer</i>	ROGER H. A. WAIN <i>Resident Treasurer</i>	CECIL W. WARD <i>Resident Director of Agencies</i>
RONALD F. AGATE <i>Assistant Administrative Officer</i>	WILLIAM A. FOOTE <i>Assistant Administrative Officer</i>	MISS ELIZABETH F. HOGG <i>Personnel and Training Officer</i>
ALAN J. JOHNSTON, M.I.O.M. (Dip) <i>Systems and Planning Officer</i>	WALLACE LAW, F.I.A. <i>Assistant Resident Actuary</i>	ERIC R. PATON <i>Superintendent of Agencies</i>
DAVID G. PETERS, A.C.I.S., A.C.I.I. <i>Administrative Officer</i>	PETER C. N. POOLMAN, F.C.I.I. <i>Superintendent of Agencies</i>	MICHAEL C. SPILLMAN <i>Superintendent of Agencies</i>

## Principal Imperial Life Offices

### HEAD OFFICE

Imperial Life Building  
95 St. Clair Avenue West, Toronto, Canada M4V 1N7

### Branch Offices in Canada (Locations and Managers)

BARRIE, ONT.	- - - - -	R. G. Pepler	OSHAWA, ONT.	- - - - -	H. W. Killam, C.L.U.
BRANDON, MAN.	- - - - -	R. W. MacKalski	OTTAWA, ONT.	- - - - -	G. J. G. Arnold
CALGARY, ALTA.	- - - - -	R. D. McCorquodale, C.L.U.	PENTICTON, B.C.	- - - - -	W. H. Gerwing
CHANDLER, QUE.	- - - - -	P.-E. Levesque	QUEBEC, QUE.	- - - - -	C. S. Gourdeau, C.L.U.
CHARLOTTETOWN, P.E.I.	- - - -	W. H. Tomilson	REGINA, SASK.	- - - - -	R. U. Kotrla, C.L.U.
EDMONTON, ALTA.	- - - - -	C. C. Kuhnke	RIMOUSKI, QUE.	- - - - -	L. Couture
HALIFAX, N.S.	- - - - -	W. L. Charlton	ST. CATHARINES, ONT.	- - - - -	R. A. Newton, C.L.U.
HAMILTON, ONT.	- - - - -	W. S. Lillie, C.L.U.	ST. JOHN'S, NFLD.	- - - - -	C. V. LeMessurier
KINGSTON, ONT.	- - - - -	E. W. Stewart-Normans	SASKATOON, SASK.	- - - - -	W. J. Franz, C.L.U.
KITCHENER, ONT.	- - - - -	H. W. Lippel	SHERBROOKE, QUE.	- - - - -	G. Fontaine
LEVIS, QUE.	- - - - -	M. Pineau	THETFORD MINES, QUE.	- - - -	D. L. Comtois
LONDON, ONT.	- - - - -	J. B. Glover, C.L.U.	TORONTO, ONT.	- - - - -	J. M. Ferguson, C.L.U.
MONCTON, N.B.	- - - - -	D. B. MacKay, C.L.U.	TORONTO, ONT.	- - - - -	F. E. Murphy, C.L.U.
MONTREAL, QUE.	- - - - -	G. W. Johnson, C.L.U.	TORONTO, ONT.	- - - - -	F. D. Palmer, C.L.U.
MONTREAL, QUE.	- - - - -	I. Macaulay, C.L.U.	TORONTO, ONT.	- - - - -	G. A. Wilson, C.L.U.
MONTREAL, QUE.	- - - - -	E. W. Tobin, C.L.U.	VANCOUVER, B.C.	- - - - -	J. A. C. MacIntosh, C.L.U.
MONTREAL, QUE.	- - - - -	J. G. G. Lefebvre	VICTORIA, B.C.	- - - - -	D. A. B. Hall, C.L.U.
NORTH BAY, ONT.	- - - - -	V. A. Shelp	WINNIPEG, MAN.	- - - - -	W. H. Kamineski

### Sales Offices in Canada

BRITISH COLUMBIA, Kamloops, Prince George; SASKATCHEWAN, Prince Albert; ONTARIO, Belleville, Brantford, Brockville, Chatham, Kirkland Lake, Niagara Falls, Peterborough, Sarnia, Stratford, Sudbury, Thunder Bay, Welland, Windsor, Woodstock; NEW BRUNSWICK, Saint John; NOVA SCOTIA, Sydney; NEWFOUNDLAND, Corner Brook.

### Group Insurance Offices in Canada

CALGARY, ALTA.	- - - - -	B. J. Entwistle, C.L.U.	TORONTO, ONT.	- - - - -	D. R. Eadie, C.L.U.
MONTREAL, QUE.	- - - - -	A. T. Coughtry	VANCOUVER, B.C.	- - - - -	D. G. Ermo, C.L.U.
MONTREAL, QUE.	- - - - -	G. P. Nolin, C.L.U.			

Also Group Insurance Sales Offices in Edmonton, Alta., Ottawa, Ont., Quebec, Que., Windsor, Ont., Winnipeg, Man.

### Mortgage Offices in Canada

CALGARY, ALTA.	- - - - -	R. R. Rowland	QUEBEC, QUE.	- - - - -	J. Castonguay
KITCHENER, ONT.	- - - - -	F. W. Coffin	TORONTO, ONT.	- - - - -	D. M. Johnston, A.A.C.I., S.R.A.
MONTREAL, QUE.	- - - - -	R. Cusson, E.A.	VANCOUVER, B.C.	- - - - -	K. K. Jerome, A.A.C.I., M.A.I.



## Branch Offices in U.S.A.

CLEVELAND, OHIO - - - - -

EAST LANSING, MICH. - - - - - L. J. Cook

FLINT, MICH. - - - - - J. A. Vierheilg

ORANGE, CALIF. - - - - - W. H. Wilson

SAN DIEGO, CALIF. - - - - - R. F. Baxter

SAN JOSE, CALIF. - - - - - R. H. Miner

SOUTHFIELD, MICH. - - - - - J. D. Kelly

WALNUT CREEK, CALIF. - - - - - R. P. Peirce

## Branch and Sales Offices in the South

KINGSTON, JAMAICA - - - - - S. A. Balfour, A.C.I.I.

NASSAU, BAHAMAS - - - - - J. W. Pinder

PORT-OF-SPAIN, TRINIDAD - - - - - C. F. C. Rooks

SAN FERNANDO, TRINIDAD

## Regional Offices

QUEBEC REGION (MONTREAL) - - - E. G. Pare

SOUTHERN REGION (NASSAU) - - - D. Holland

## Imperial Life Offices in Great Britain

**CHIEF OFFICE:** Imperial Life House,  
London Road,  
Guildford, Surrey GU1 1TA

## Branch Offices (Locations and Managers)

BIRMINGHAM - - - - - R. E. Bennett

BRISTOL - - - - - R. J. P. Barribal

CARDIFF - - - - - B. J. Cross

CROYDON - - - - - C. C. Myers

GLASGOW - - - - - C. D. H. MacLean

HOVE - - - - - R. A. Walters

KINGSTON-ON-THAMES - - - - - R. A. Knox-Johnston

LEEDS - - - - - P. A. Dodds

LEICESTER - - - - - N. G. Ruddock-Brown

LIVERPOOL - - - - - D. G. Kearon

LONDON - - - - - C. H. H. Barnett

LONDON - - - - - P. N. Crookenden

LONDON - - - - - A. Csaky

LONDON - - - - - A. H. Evans

LONDON - - - - - R. W. J. Exall

LONDON - - - - - G. G. Howlett

LONDON - - - - - J. A. Jacobs

LONDON - - - - - G. H. King

LONDON - - - - - B. A. Lane

LONDON - - - - - D. S. Lee

LONDON - - - - - B. Roden

LONDON - - - - - D. Schiff

MANCHESTER - - - - - G. Ratcliffe

NOTTINGHAM - - - - - O. S. Tame

OXFORD - - - - - J. E. Barlow

PLYMOUTH - - - - - I. D. Hopkins

ST. ALBANS - - - - - C. G. Buzzacott

SIDCUP - - - - - C. W. M. Frampton

SOUTHAMPTON - - - - - J. F. Wilson

WEMBLEY - - - - - C. Burman

## Group Insurance Office

LONDON - - - - - P. J. West



The Annual Meeting of the Company is held at 2.30 p.m. on the third Wednesday in March. Each person who has contracted for and holds a participating policy may attend and vote in person or by proxy at meetings of the Company. Proxy forms may be obtained on written request to the Secretary.





